

The **Research** *Review*

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Representatives Mark Maddox, Barbara Cooper and other members of the House Education Committee had a lighthearted moment on Wednesday as they each read a page from a classic Dr. Seuss work to groups of kindergarten and other pre-school children. The event was part of the “Read Across America” celebration now being observed throughout the country.

House Committee Activity for the weeks of February 14-17 and 21-24

The House Research Division summarizes all committee meetings each week. These summaries are compiled and entered into the Division’s weekly publication, *The Research Review*. This first edition summarizes meetings during the weeks of February 14th and 21st.

Current editions of the *Review* are placed on the members’ desks on the House floor each Thursday morning. The publication is also available on the House website.

Matt Barnes
Agriculture
Commerce

Lawrence Hall, Jr.
State and Local Government

Pam Mason
Education

Judy Narramore
Health and Human Resources

Shannon Romain
Children and Family Affairs
Consumer and Employee Affairs

Kristina Ryan
Government Operations

Rachel Thomas
Conservation and Environment
Transportation

Julie Travis
Finance, Ways and Means

Jamie Wyatt
Judiciary

Denise Sims, Director
741-3025

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Agriculture

Matt Barnes

Week of February 15th

The Agriculture Committee considered two bills on its February 15th calendar. **HB 0222** by Chairman Davidson was deferred one month. **HB 0382** by Rep. Bone generated some discussion before it was rolled one week. The bill, brought by the Tennessee Fair Association, exempts community, county, district and division fairs eligible for state grants from charitable solicitation registration. Questions arose as to the exemptions and if other groups would need similar consideration. The bill was rolled so that a representative from the Secretary of State's office could be present for further explanation.

The committee then heard a presentation on Tennessee wineries. Presenters were Dr. Bill Morris of The University of Tennessee Extension, Louisa Cook, proprietor of Beachaven Vineyards and Winery (Clarksville) and daughter of Judge William Beach, who was one of the founders of the Tennessee wine industry, and Don Collier, proprietor of the Mountain Valley Vineyard (Pigeon Forge) and President of the Tennessee Farm Winegrowers Association. They appeared before members to discuss wine production in Tennessee.

The speakers said the first winery was College Manor, established in 1983 in Jamestown. Since then, give or take a few fluctuations over the years, licensed wineries have grown to a total of 31 in the state. There are approximately 450 acres devoted to grape production across Tennessee.

Dr. Morris said national trends indicate wine consumption is up, and that last year there was an increase of 5.2% - to almost 3 gallons per adult (less in this state). He said of the southern states, North Carolina and Virginia are experiencing much of the growth, while production in Georgia and Florida is increasing. Virginia is now a five-fold leader over Tennessee with North Carolina a two-fold leader.

Mr. Collier said they are slightly handicapped in that Tennessee is the only state in the Southeast that caps

production (per gallon at 20,000 gallons per winery). All explained that they are working on legislation that will be helpful to the state's wine industry. They have envisioned a "2010 Plan" for Tennessee, much like Virginia's "2015 Plan." Their plan is to move Tennessee into the top tier of wine producing states in the country. *(Summary by Denise Sims)*

February 22nd

The **Agriculture Committee** met on Tuesday, rolling **HB 0382** (Bone) for one week and **HB 0778** (Clem) for two. **HB 1128** (McDaniel) was taken off notice.

Chairman Davidson recognized Joe Young of the Department of Agriculture, who introduced various speakers in support of the West Tennessee cotton industry. Donald Prescott of Cairo Farmers Gin (Crockett County) and Shelton Wilder of Longtown Gin Company (Tipton County) reviewed the economics involved in a typical cotton gin operation, emphasizing the positive effect one operator can have on an entire community.

Jimmy Hargett of L&H Gin Company (Crockett County) lauded the state's boll weevil eradication program for generally making life easier for cotton farmers but also for increasing yields and decreasing the amount of spraying required. When Chairman Davidson asked what effect the creation of a no-spray buffer zone would have on the production of cotton, Mr. Hargett said it would paralyze farmers.

Chip Green, a cotton manager at Helena Chemical Company in Memphis, said aerial spraying used to be unsafe but not anymore. The problem, he said, is simply with the natural uncertainty created among certain residents when they see a plane spraying. Chairman Davidson asked about the different uses for malathion, which is what the planes spray. Mr. Green said malathion is used nationwide to control mosquitoes.

Agriculture, continued

Eugene Pugh of Halls Gin Company (Lauderdale County) said small towns with no McDonald's or Wal-Mart rely on companies such as his. In recognizing the effect on the community a cotton gin can have, he and Mr. Green both said "you give a farmer \$1.00, he'll spend \$1.50." He claimed aerial spraying is much safer now and that a perfect example of a buffer zone is the Mississippi River, where boll weevils have increased to the point that Arkansas has now established its own eradication program.

Boyd Barker, director of the state's boll weevil eradication program for the Department of Agriculture, said aerial spraying has actually attributed to a 40%

decline in pesticide use. He provided the committee with statistics showing the undoubtedly positive effect the program has had on cotton production in Tennessee. *(Summary by Matt Barnes)*

Children and Family Affairs

Shannon Romain

Week of February 16th

The **Children and Family Affairs full committee** passed **HJR 0024** (Rep. Dunn) that proposes an amendment to Article XI of the Tennessee Constitution to define marriage as a contract between a man and a woman. The bill was passed out of committee to the Finance, Ways and Means Committee on a roll call vote of 13 Ayes, 4 nays and 1 PNV.

The subcommittees did not meet.

February 23rd

The Children and Family Affairs full committee and subcommittees met this week.

In the **Domestic Relations Subcommittee** one bill was recommended for passage to the full committee. **HB 1210** (Rep. Bowers) makes a knowing violation of an or-

der of protection issued to protect a victim of domestic violence a Class C domestic violence offense. Previously, such violations were unclassified.

The following bills were deferred:

HB 0751 (Rep. Clem) - 1 week

HB 0760 (Rep. Clem) - 1 week

HB 0775 (Rep. Clem) - 1 week

In the **Family Justice Subcommittee** the all bills on the calendar were deferred as follows:

HB 0780 (Rep. Clem) - 1 week

HB 0885 (Rep. Hawk) - 3 weeks

The **full committee** had no bills on the calendar this week. Commissioner Gina Lodge of the Department of Human Services testified on the new child support guidelines that were effective as of January 18th and Rebecca Montgomery of the Tennessee Supreme Court, Administrative Office of the Courts, gave members an overview of the Tennessee judicial system.

Commerce

Matt Barnes

Week of February 15th

Full Committee

With no bills on calendar, the **Commerce Committee** held its first meeting of the session on Tuesday, February 15th. Chairman Jere Hargrove welcomed the new members of the committee, Reps. Joanne Favors, Gerald McCormick, Parkey Strader and Paul Stanley. He then introduced interns Josh Martin and Sonia Jennings, as well as the following committee staff members: Pam Laub, secretary; Sara Fowler Getsay, attorney; Justin “J.B.” Brown and Russ Blair, clerks; Kenny Rainey, sergeant-at-arms; and Matt Barnes, research analyst.

Chairman Hargrove announced the committee likely will not meet next week. However, he pledged, whenever the committee does meet, to conduct a full, free and fair debate within the allotted time. He also stated he would again allow non-members of the committee to present their bills first.

Rep. Charles Curtiss serves as vice-chair of Commerce and Rep. Dennis Ferguson secretary.

Industrial Impact Subcommittee

Chairman Bob McKee announced during the Commerce Committee meeting that the **Industrial Impact Subcommittee** meeting had been cancelled this week. The only bill on calendar, HB 0221 (Davidson), was rolled for three weeks.

The **Small Business Subcommittee**, chaired by Rep. Ferguson, and **Utilities and Banking Subcommittee**, chaired by Rep. Curtiss, did not meet this week.

Tuesday, February 23rd

Full Committee

The **Commerce Committee** had no bills on calendar this week and did not meet.

Industrial Impact Subcommittee

On Tuesday, the **Industrial Impact Subcommittee** met for the first time this session. Chairman McKee recognized the new members of the subcommittee, Reps. McCord, Montgomery and Sargent. He also introduced the following staff members: Beverly Stanton, secretary; Sarah Getsay, attorney; and Matt Barnes, research analyst.

HJR 0086 (Cooper) urges TennCare to adopt a cost-of-living index for the reimbursement of kidney dialysis treatments. After Rep. Cooper pointed out that a couple of words were inadvertently left out of the resolution, the subcommittee adopted the changes as an amendment. Chairman McKee asked the sponsor if she planned to leave the wording of the resolution as “urging” TennCare to adopt the cost-of-living index; Rep. Cooper said she did. [*passed to full committee, as amended*]

HB 1275 (Coleman) repeals Tennessee’s “anti-affiliation” statute, thereby removing the restriction for those banks in Tennessee owned by bank holding companies from offering insurance agency services. A 1996 U.S. Supreme Court case, as well as the federal Gramm-Leach-Bliley Act of 1999, renders the Tennessee statute obsolete. Rep. Sargent asked the sponsor if he planned on doing anything else with this bill besides repealing the statute; Rep. Coleman said he did not. [*passed to full committee*]

HB 0050 (Sargent) requires insurers, within thirty days of a request, to provide those insured with a copy of their three-year loss run history. If the insurer fails to meet this deadline, the requester may appeal to the commissioner of the Department of Commerce and Insurance for relief. [*rolled for three weeks*]

Small Business Subcommittee

The **Small Business Subcommittee**, chaired by Rep. Ferguson, held its first meeting Tuesday.

HB 0461 (Sontany) revises the experience requirements

for registered interior designers appointed to the Board of Examiners for Architects and Engineers. Present law requires registered interior designers appointed to the Board to have ten years' experience as a registered practitioner as of January 1, 2004. This bill pushes that date back ten years to January 1, 2014. Until then, the interior designer Board member shall have been a registered interior designer for at least five years and have ten years' experience as an interior designer. *[passed to full committee]*

HB 0741 (Baird), in order to expand the pool of knowledgeable candidates, authorizes utility district boards to fill vacancies with persons who have served the utility district as a manager, president, chief executive officer or comptroller for at least ten years *regardless of the county of residence*. *[passed to full committee]*

Utilities and Banking Subcommittee

At Wednesday's meeting, the first this session for the **Utilities and Banking Subcommittee**, Chairman Curtiss appointed Rep. Bowers Vice-chair. The subcommittee then heard one bill, rolling its other, **HB 0462** (Odom), for two weeks.

HB 0380 (Bone) restricts the applicability of the "Utilities' Cut-off Procedures Act" to Metropolitan Nashville and Davidson County, as opposed to present law that applies to all metropolitan governments, including Davidson, Trousdale and Moore counties. Presently, utilities in these counties must notify customers by letter of an impending cut-off due to nonpayment of services. Rep. Bone said, because of gains in technology, the utilities have the ability to cut off services without sending a letter. *[passed to full committee]*

Conservation and Environment

Rachel Thomas

Week of February 16th

The House Conservation and Environment Committee met Wednesday, February 16, 2005, to discuss one resolution and hear a presentation from the Department of Environment and Conservation. None of the subcommittees convened during this week.

HJR 7 (by McDonald) is a resolution urging the Federal Energy Regulatory Commission to deny the application for Certificate by Midwestern Gas Transmission Company to extend an existing natural gas pipeline across the Highland Rim via the Eastern Extension Project. Both Trousdale and Sumner counties would be affected by the project. The committee voted to send the bill to the Calendar and Rules Committee after some debate.

Presentation by the Department of Environment and Conservation

Commissioner Child and her staff presented the committee with information regarding the Underground Storage Tank Program. This fund was established in 1988 and is required by the Environmental Protection Agency to assist owners and operators of underground petroleum storage tanks. Owners pay a mandatory monthly fee into this fund which is used as insurance money in the event of a leakage.

The committee also heard from a task force whose recommendations are designed to help the fund become solvent, as is required by law. Some of those recommendations are as follows:

- Include incarceration as a criminal punishment for violations.

Conservation & Environment, cont.

- ▶ Certification training for installation, ownership, and operation of tanks
- ▶ State-owned tank exemptions
- ▶ Autonomy for the Underground Storage Tank board to raise and lower fees
- ▶ Implement a more expedient site closure process

Week of February 22nd

Full Committee

The full **Conservation and Environment Committee** convened February 23, 2005, though there were no bills on the calendar. However, the committee heard a presentation from the Tennessee Department of Environment and Conservation on non-attainment air quality testing for ozone. In the presentation, Commissioner Child and her staff both explained the scientific composition of various air pollutants and enumerated the status of various Tennessee counties seeking air quality attainment by 2009.

Environment Subcommittee

The **Environment Subcommittee** met February 23, 2005, to discuss two joint resolutions and one bill. **HJR 92** and **HJR 94**, both by Representative B. Cooper, were deferred until next week's meeting. Action on Representative Sargent's **HB 49** was deferred for two weeks.

Parks and Tourism Subcommittee

The **Parks and Tourism Subcommittee** assembled on February 23, 2005, to discuss two bills. Action on Representative West's **HB 719** was deferred for one week. **HB 898** (B. Cooper) was deferred indefinitely until a feasibility study is performed and fiscal data is available.

Wildlife Subcommittee

The **Wildlife Subcommittee** convened on February 22, 2005. Though there were no bills on notice, members of the committee heard a presentation by Tennessee Wildlife Resource Agency (TWRA) Director Allen Gephardt. Mr. Gephardt spoke about the necessity of fees for various recreation and gaming licenses and permits.

Consumer and Employee Affairs

Shannon Romain

Week of February 15th

The **Consumer and Employee Affairs full committee** did not meet the week of the 15th but the subcommittees held their first meetings.

The **Consumer Affairs subcommittee** recommended **HB 1095** (Rep. McMillan) for passage to the full committee. Effective upon becoming law, the consumer protection bill prohibits any person who accepts credit cards or debit cards for business transactions from displaying more than five digits of the card number or the expiration date on electronically printed receipts from

cash registers, machines or devices put into service after January 1, 2005. On January 1, 2007, the bill will apply to all such devices, including those in use before 2005.

The **Employee Affairs subcommittee** recommended one bill for passage to the full committee. **HB 0287** (Rep. Borchert) authorizes employers who adhere to certain religious tenets or teachings to apply to the Department of Labor and Workforce Development for an exemption from providing workers' compensation insurance coverage for employees who sign a waiver stating that they are members of a "recognized religious sect, and that accepting insurance coverage for medical

Consumer, continued

bills, death, disability, or retirement benefits violates their religious beliefs.”

The department is required to create an application form, and it must grant the exemption if it finds that the employee is indeed a member of a recognized sect and the employer shows proof that it makes a provision for the dependent members of the sect that is reasonable in view of the sect’s general level of living.

Guardians may execute waivers for minors and all waivers shall remain in effect unless the employee or the sect fails to meet the prescribed requirements.

The bill is specifically intended to exempt businesses owned by Mennonites, who do not believe in accepting funding or aid from any government agency, from workers compensation laws, although any recognized religious organization or sect could seek a waiver.

Week of February 22nd

The Consumer and Employee Affairs full committee and subcommittees met this week.

Full Committee

The **full committee** referred two bills to Calendar and Rules. **HB 0287** (Rep. Borchert) as amended, authorizes employers who adhere to certain religious tenets or teachings to apply to the Department of Labor and Workforce Development for an exemption from providing workers’ compensation insurance coverage for employees who sign a waiver stating that they are members of a “recognized religious sect and that accepting insurance coverage for medical bills, death, disability, or retirement benefits violates their religious beliefs.”

The department is required to create an application form and must grant the exemption if it finds that the employee is indeed a member of a recognized sect. The employer must also show proof that it makes provision for the dependent members of the sect that is

reasonable in view of the sect’s general level of living.

Amendment #1 to the bill puts in place protections for employers. Amendment #2 provides that an employee waives all Social Security benefits and is exempt from paying Social Security taxes under federal law.

Guardians may execute waivers for minors and all waivers shall remain in effect unless the employee or the sect fails to meet the prescribed requirements.

The bill is specifically intended to exempt businesses owned by Mennonites, who do not believe in accepting funding or aid from any government agency, although any recognized religious organization or sect could seek a waiver.

HB 0720 (Rep. West) extends the filing deadline for the medical fee schedule developed by the Department of Labor and Workforce Development from February 15, 2005 to April 1, 2005.

Consumer Affairs Subcommittee

The **Consumer Affairs Subcommittee** recommended **HB 1095** (Rep. McMillan) bill for passage to the full committee. Effective upon becoming law, the consumer protection bill prohibits any person who accepts credit cards or debit cards for business transactions from displaying more than five digits of the card number or the expiration date on electronically printed receipts from cash registers, machines or devices put into service after January 1, 2005. On January 1, 2007, the bill will apply to all such devices, including those in use before 2005.

The committee deferred the following bills:

HB 0132 (Rep. M. Turner) - 3 weeks

HB 0155 (Rep. M. Turner) - 3 weeks

Employee Affairs Subcommittee

The **Employee Affairs Subcommittee** met on Wednesday morning and recommended two bills for passage to the full committee. **HB 0039** (Rep. Bowers) restores overtime pay to employees affected by changes in the federal Fair Labor Standards Act and specifically adopts the federal rule for the minimum

Consumer, continued

salary that an employer can pay an employee before the employee can lose the right to overtime. The bill passed the committee on a 5 to 2 vote.

HB 0440 (Rep. Fowlkes) removes the expiration date for the special workers compensation appeals panels.

Please note that the Consumer Affairs Subcommittee is now scheduled to meet at 2:30 each Tuesday in LP 29.

**The Finance Committee Will
Hold Budget Hearings On
Higher Education Following
Today's Session**

Education

Pam Mason

Week of February 15th

The **House Education Committee** heard two presentations at its Wednesday meeting last week. There was no calendar to consider. The first presentation was given by Dr. Claude Pressnell of TICUA, Tennessee Independent Colleges and Universities Association. Dr. Pressnell discussed the involvement of these schools in our state and the economical and cultural impact of their operations.

Dr. Gary Nixon, Executive Director of the State Board of Education, was the Committee's second presenter. Public Chapter 679 of 2004 directed the Board to establish a uniform grading policy for Tennessee's public

schools. Details of this policy are available on the Board's web site. The proposed policy will come before the Board on April 15 for its second reading.

Dr. Nixon next updated the Committee on Board actions resulting from Public Chapter 708 of 2004, requiring the Board in conjunction with the Departments of Education and Health to establish minimum nutritional standards for certain foods sold in grades K-8 in public schools. Final reading of the Board's proposal will be considered at the April 15 meeting.

There were no bills scheduled for either the **K-12** or **Higher Education** subcommittee and neither met.

Education, continued

Current Week

Full Committee

The House Education Committee met on Wednesday, February 23, for its regularly scheduled meeting. In celebration of the “Read Across America” program, each committee member participated in reading Dr. Seuss’ *Green Eggs and Ham*. The Committee then acted on two resolutions.

Referred to Calendar & Rules:

HJR 118 – (Winningham) endorses the National Education Association and the Tennessee Education Association in their “Read Across America” program.

HJR 119 – (Winningham) designates Tuesday, May 3, 2005 as “National Teacher Day” in Tennessee.

The Committee next heard from officials of the Department of Children’s Services. Primary concern was to learn the role of teachers in reporting suspected child abuse/neglect and the process for handling such reports. Anyone needing to report a suspected occurrence should call 1-877-237-0004.



Representatives of the Department of Children’s Services appeared before the House Education Committee to discuss the educator’s role in reporting suspected child abuse.

Finance, Ways & Means

Julie Travis

Report From Previous Weeks

February 1st through Feb16th

The Full Committee

As of the Tuesday, February 15th meeting, there have been no bills on the committee's calendar to be heard by the full Finance Committee. For the first few weeks, the full committee has met to hear presentations regarding the Governor's budget and all things financial. During the Tuesday, February 1st meeting, the full committee met to hear Dave Goetz, Commissioner of Finance and Administration, deliver the Budget Overview for FY04-05 and FY 05-06. On February 8, 2005, John Morgan, Comptroller of the Treasury, gave an overview of the Funding Board's December estimates. Departmental Budget Hearings have begun. The committee has started meeting three times per week to review each department's budget. Extra seating has been reserved in the audience for legislators who are non-committee members and wish to attend. The hearings may also be observed through live video streaming on the internet.

The Budget Subcommittee

The Budget Subcommittee held its first meeting on Wed., February 16, 2005. The two items on calendar

were HB 800 (Baird) and HJR 20 (McMillan).

HB 800 (Baird) was referred to the full committee. This bill provides for a special allocation of the state sales tax distribution in Campbell County for a private development at the Norris Dam State Park. The redistribution of sales tax revenue in Campbell County would be in the amount of sales taxes to indebtedness incurred by the county to the same extent that the county may pledge any revenues of the county. The bill is funded (re. State monies only) by the county paying the estimated costs of software changes necessary for the implementation of the bill. As reflected in the bill's fiscal note, forgone state revenues would exceed \$500,000 recurring each year.

HJR 20 (McMillan) was amended by the Budget Subcommittee to have the special joint study committee to complete its work prior to the deadline as was funded in last year's budget. The resolution was deferred for one week in order to obtain a Fiscal Memo reflecting the amendatory language.

The Research Division begins its summaries of Finance Committee hearings. See page 21.

Finance, continued

Current Week's Report

Week of February 21st

Full Committee

HB 800 (Baird) was deferred for one week.

On Tuesday, February 22, 2005, the Tennessee Education Lottery Corporation's President and CEO, Rebecca Paul, presented the committee with funding board figures and estimated projections on lottery revenue and expenses, especially focusing on those monies returned to Education and the After School Program, as well as their legislative package for the session. The Commissioner of F&A, Dave Goetz, gave the committee a brief tutorial on over-appropriations, reversions, and how they fit into our budgetary figures.

Budget Subcommittee

The Budget Subcommittee met on Wednesday, February 23, 2005 to discuss and take action upon the scheduled items on the committee's calendar. The following bills were referred to the full Finance, Ways, and Means Committee: HJR 20, HB 217, and HJR 24.

HJR 20 (McMillan) was referred to the full committee with an amendment. The resolution continues the joint special study committee to allow additional time, until June 1, for the study of trial court judicial districts' present alignment and the allocation of judicial personnel in those districts. For the committee to continue meeting, they must utilize the funds appropriated to them for such purpose by the FY04-05 appropriations bill.

HB 217 (Briley) was referred to full committee. This bill extends the litter tax on beer and bottled products for an additional six (6) years until June 30, 2010, or until June 30, of any year following the enactment of any state or federal law which imposes mandatory deposits by consumers on beverage containers sold in Tennessee. This act would take effect on June 1, 2005, and applies to all tax returns filed on or after June 1, 2005. Current beer and bottlers' gross receipts taxes contain a temporary tax on bottles of soft drinks (extra 0.4% gross receipts tax rate) and barrels of beer (extra 50¢ per barrel tax) earmarked to fund programs for the prevention and collection of litter. (T.C.A. §§57-5-201(a)(2) & 67-4-402(b)(1))

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HJR 24 (Dunn, J. DeBerry, Yokley, and Litz) was referred to full committee. This resolution is the 2nd reading of the proposed constitutional amendment which was previously approved by the 103rd General Assembly, providing that the only recognized marital contact is one between one man and one woman. The resolution would be placed on the 2006 regular November general election ballot. This bill will only affect the FY 06-07 budget, as one-time publication costs of \$20,000 will be to local governments in the Fall of 2006 for each county election commission to cover the costs of printing the text of the proposed amendment in each county's newspaper of general circulation.

The following bills were rolled at the request of the sponsor:

HB 943 (Sargent) – Deferred 8 Weeks

HB 755 (Clem) – Deferred 1 Week

HB 776 (Clem) – Deferred 2 Weeks

Government Operations

Kristina Ryan

Week of February 15th

The Government Operations Committee met on Wednesday morning, February 16th to consider three bills on the calendar. Before regular business, Chairman Kernell welcomed the committee's two new members, Rep. Stacey Campfield and Rep. Bo Watson with an in-depth overview of how the Government Operations Committee works.

The committee reviewed and referred **HB 0006** by Representative Ferguson to the Commerce Committee. This bill would establish licensing requirements for home inspectors. The Department of Commerce and Insurance will regulate this profession and set up the licensure requirements and fees. In addition, the Commissioner of Commerce and Insurance would be responsible for promulgating rules and regulations.

HB 37 by Representative Newton was reviewed and referred to the State and Local Government Committee. Under this legislation, the Commissioner of General Services is authorized to transfer surplus computer and electronic equipment to local education agencies. The Commissioner must work in conjunction with the Information Systems Council and have the approval of the Governor and the Commissioner of Education in order for this transaction to take place. If the equipment is rejected by local education agencies, then it can be purchased by a

qualified electronics recycling company at a fair market price. The bill stipulates that the Board of Standards will be responsible for establishing rules for implementing this legislation.

The committee reviewed and referred **HB 479** by Representative Odom to the Health and Human Resources Committee. This legislation will allow psychologists to prescribe and dispense drugs for their patients. In addition, this bill sets up a new board comprising of health professionals from a variety of health fields that would enforce the guidelines. The composition of the board would be chaired by a current member of the board of examiners in psychology and would include five members, one from each of the current health boards that regulate psychology, medicine, nursing, optometry and pharmacy. An amendment was added to the bill that would designate that the medical member be a psychiatrist. Another amendment added to the bill would require that each professional group represented on the board choose their own member and that the board strive to achieve ethnic minority representation.

Current Week's Report

The Government Operations Committee did not meet this week.

Health and Human Resources

Previous Weeks' Report

The **Health & Human Resources Committee** held its *organizational meeting* of the 104th General Assembly on Tuesday, February 1, 2005. Chairman Armstrong welcomed returning committee members and introduced the committee's new members. Chairman Armstrong then introduced Virginia Lodge, Commissioner of Human Services, and Ginna Betts, Commissioner of Mental Health & Developmental Disabilities. Commissioners Lodge and Betts gave a brief overview of their respective department and responded to questions from committee members.

The **Health & Human Resources Committee** met at its new time, 10:30 AM, on Tuesday, February 8, 2005, to hear from Bob Stone, Executive Vice President of American Healthways, headquartered in Nashville. Mr. Stone spoke to the committee about disease management, which is defined as a system of coordinated health care interventions and communications for populations with conditions in which patient self-care efforts are significant. According to Stone, American Healthways is the nation's largest provider of disease and care management services, with programs designed to coordinate and integrate a patient's care to achieve a more successful health outcome at a reduced cost of care.

The **Health & Human Resources Committee** did not meet on Tuesday, February 15, 2005.

Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** held its first meeting of the 104th General Assembly on Wednesday, February 16, 2005, at its new 12 noon meeting time. Chairman Odom recognized new and returning subcommittee members.

Three bills were on the subcommittee's first calendar of 2005 and all were referred to full committee. **HB 0114** by Rep. S. Jones adds contact lenses with no prescription power to the definition of "ophthalmic materials" and prohibits retail merchants from dispensing them. Additionally, this bill adds contact lenses, with or without prescription power, to the definition of "practice of optometry." **HB 0398** by Rep. Shepard increases the per diem rate from \$50 to \$100 for members of the Board of Nursing when attending board meetings or conducting other board business. **HB 0685** by Rep. Armstrong as amended exempts licensed physical therapists who have been licensed to practice since 1960 and who are at least 71 years of age from continuing education requirements imposed by the Committee on Physical Therapy.

Health and Human Resources

Week of February 22nd

Full Committee

The **Health & Human Resources Committee** considered three bills on Tuesday morning, February 22nd. **HB 0114** by Rep. S. Jones that adds contact lenses with no prescription power to the definition of "ophthalmic materials" and prohibits retail merchants from dispensing them was referred to C&R. This bill also adds contact lenses, with or without prescription power, to the

definition of "practice of optometry." **HB 0398** by Rep. Shepard that increases the per diem rate from \$50 to \$100 for members of the Board of Nursing when attending board meetings or conducting other board business was referred to FW&M. **HB 0685** by Rep. Armstrong as amended was referred to C&R. As amended, HB 0685 exempts licensed physical therapists who have been licensed to practice in Tennessee since 1960 and who are at least 71 years of age from continuing education requirements imposed by the Committee on Physical Therapy.

Health, continued

After moving the bills, the committee stood in recess to hear presentations from Gordon Bonnyman and George Barrett, both of whom represent TennCare recipients.

Health Care Facilities Subcommittee

The **Health Care Facilities Subcommittee** did not have bills on notice and did not meet Tuesday afternoon.

Mental Health Subcommittee

The **Mental Health Subcommittee** held its first meeting of the 104th General Assembly on Tuesday, February 22, 2005, at its new 4:00 PM meeting time. Chairman Shepard recognized new and returning subcommittee members.

One bill was on calendar. **HB 0194** by Rep. Marrero, which changes the name of a representative on the state family support council from “Tennessee Network of Community Organizations” to “Tennessee Community Organizations,” was referred to full committee.

Public Health & Family Assistance Subcommittee

The **Public Health & Family Assistance Subcommittee** held its first meeting of the 104th General Assembly Wednesday morning, February 23, 2005. Chairlady Pruitt welcomed new and returning subcommittee members.

Seven pieces of legislation were on the subcommittee’s first calendar of 2005. **HB 0038** by Rep. Bowers, which requires TennCare applicants to identify their employer or the employer of any person financially responsible for the applicant, was referred to

full committee. The Department of Finance & Administration will be required to report annually to the General Assembly those employers with 25 or more employees who applied for TennCare in the last year. **HJR 0085** by Rep. Cooper that urges the departments of health and education to develop and implement programs that address childhood obesity was referred to full committee. **HJR 0091** by Rep. Cooper as amended that urges the Department of Health and Bureau of TennCare to conduct a study on disparities in health care that exist in Tennessee was referred to full committee. **HB 0186** by Rep. Coleman, which expands existing law to give TBI crime laboratory personnel exposed to blood or body fluid of an arrested person the right to request a blood test of such person if there is significant risk of exposure to Hepatitis B or HIV, was referred to full committee. **HB 0641** by Rep. Harrison concerning employment of physicians by federally qualified health centers was considered and subsequently rolled one week for clarification of the bill’s impact, if any, on the Corporate Practice of Medicine Act. Rep. Armstrong rolled **HB 0836** (trauma registry) and **HB 0859** (medical licensing examination) one week.

Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** met at noon on Wednesday, February 23rd to consider three bills. **HB 0479** by Rep. Odom that authorizes “prescribing psychologists” to prescribe drugs, laboratory tests, or any medicines, devices or treatments within their scope of practice was referred to full committee 6-5 on a roll call vote. The subcommittee heard testimony from proponents and opponents of this legislation. **HB 0801** by Rep. Armstrong as amended was referred to full committee. As amended, HB 0801 makes clarifying changes to the Medication Error Reduction Act of 2004. Rep. Santany rolled **HB 0999** (RN pronounce death) one week.

Judiciary

Jamie Wyatt

Week of February 15th

The Judiciary Full Committee, Civil Practice, and Constitutional Protections did not meet.

Criminal Practice & Procedure Subcommittee

On February 15th, the Criminal Practice & Procedure Subcommittee met to consider two bills. **HB 73** by Representative Casada was taken off notice and sent to the Summer Study Committee. This bill created a cause of action for a city or county to seek damages for rescue services due to an individual disregarding road closures. The committee showed concern over adding a civil penalty for T.C.A. §39-17-108 violations when there exists a criminal penalty already in place as well as the need to review the effect on an insured's liability and his insurance coverage if there is a presumption of negligence for rescue and conviction under the statute. **HB 185** by Representative Coleman, which amends the definition of a child under the Tennessee Missing Children Recovery Act from age 18 to any person under 21 years of age, was moved to Full Committee.

Judicial Administration Subcommittee

On February 16th, the Judicial Administration Subcommittee met to consider three bills. **HB 183** by

Representative Fowlkes was taken off notice.

The following bills were approved for passage and were referred to the full Judiciary Committee:

HB 181 by Representative Fowlkes removes the current statutory prohibition against a trial judge being elected as a presiding judge for more than two successive terms.

HB 182 by Representative Fowlkes removes statutory authorization for jury commissioners or presiding judges to put aside the name of a potential juror who is known to have become mentally or physically disabled. The intent of this bill is to prevent any future litigation involving the state for violations of Title II of the Americans with Disabilities Act of 1990, 104 Stat. 337, 42 U. S. C. §§12131.12165, which prohibits a qualified individual with a disability from being excluded from participation in or being denied the benefits of the services, programs or activities of a public entity, or to be subjected to discrimination by any such entity by reason of such disability.

Judiciary

Week of February 21st

The Constitutional Protections Subcommittee did not meet this week.

The Full Judiciary Committee

On Tuesday, the Full Judiciary Committee met to discuss three House Bills and four House Resolutions. House Resolution 12 by Representative Fowlkes was

rolled for 2 weeks. HR 12, which involves Rule 1A, induced discussion regarding concerns over the public disclosure of certain documents. Mr. Don Paine, who is the Reporter for the Advisory Commission to the Supreme Court on Rules of Practice and Procedure, provided a summary as well as answered questions regarding the proposed changes to the TN Rules on Civil, Criminal, and Appellate Procedure

Judiciary, continued

The following bills and resolutions were approved for passage and **referred to Calendar & Rules**:

HB 185 by Rep. Coleman, as amended, redefines the age of a child under the Tennessee Missing Children Recovery Act to mean any person under 21 years of age. This will allow the Tennessee code to mirror the federal law definition of a child as defined in 42 U.S.C.A §5779. The intent to increase the age is to spur police to initiate prompt investigations for missing children between the ages of 18-21.

HB 181 by Rep. Fowlkes removes the statutory prohibition against a trial judge being elected as presiding judge for more than two successive terms.

HB 182 by Rep. Fowlkes disallows a jury commissioner or presiding judge to put aside the name of a potential juror who has become mentally or physically disabled. The intent of this bill is to prevent any future litigation involving the state for violations of Title II of the Americans with Disabilities Act of 1990, 104 Stat. 337, 42 U. S. C. §§12131.12165, which prohibits a qualified individual with a disability from being excluded from participation in or being denied the benefits of the services, programs or activities of a public entity, or to be subjected to discrimination by any such entity by reason of such disability.

HR 11 by Rep. Fowlkes approves the amendments and revisions to the rules of criminal procedure as promulgated by the Supreme Court. Discussion concentrated heavily on Rule 31, which provides a procedure for dealing with lesser included offenses when a jury is hung over the indicted offense.

HR 13 by Rep. Fowlkes approves amendments and

revisions to the rules of evidence as promulgated by the Supreme Court.

HR 14 by Rep. Fowlkes approves amendments and revisions to the rules of appellate procedure as promulgated by the Supreme Court.

Civil Practice & Procedure Subcommittee

On Tuesday, the Civil Practice and Procedure Subcommittee met to consider four bills. HB 29 by Rep. Newton was rolled for 3 weeks. HB 437 by Rep. Cooper is rolled for 2 weeks.

Referred to full committee:

HB 443 by Rep. Fowlkes, as amended, authorizes registration of any writing if eligible as an electronic record and certified by a licensed attorney or record custodian. It also establishes requirements for the registration of a writing evidencing an environmental hazard or condition.

HB 1001 by Rep. Fowlkes was referred to the full committee pending review by the Judicial Council at its next meeting on March 3, 2005. This bill refines statutes pertaining to probate issues.

Criminal Practice & Procedure Subcommittee

On Tuesday, the Criminal Practice & Procedure Subcommittee met to consider twenty-three bills. HB 233 by Rep. Campfield was taken off notice.

The following bills were approved for passage and referred to the full committee:

HB 410 by Rep. Coleman permits applications for orders for electronic surveillance to be made in any district where the underlying offense occurs.

HB 411 by Rep. Coleman imposes a Class E felony designation for a simple possession or casual exchange from

Judiciary, continued

Class A misdemeanor where a defendant has 2 or more prior convictions for simple possession, casual exchange or manufacture with intent to sell, sale or delivery of a controlled substance.

HB 1560 by Rep. Coleman removes June 30, 2005 date for ceasing participation in the national crime prevention stating TN will participate until terminated by the General Assembly.

HB 14 by Rep. Newton adds a new subdivision to T.C.A., Section 39-13-210(a) by including reckless killing of another while evading an arrest as a Class A felony of second degree murder.

HB 100 by Rep. Brooks imposes increased punishment for criminal littering from a Class B to a Class A misdemeanor with fines for first offense increasing from \$200 to \$500 with a subsequent offense fined \$1500 from \$500. Also, mandatory community service hours for first offense would increase from 14 hours to 40 with a subsequent offense from 40 hours to 80. The reward for reporting a litter bug increases from \$100 to \$250.

HB 238 by Rep. Campfield prohibits the act of aiming a laser device at law enforcement, firefighters and EMS with intent to cause fear of bodily injury or death.

HB 849 by Rep. Johnson, R elevates burglary of a habitation where a defendant enters with a firearm from a Class C felony of aggravated burglary to a Class B felony of especially aggravated burglary. Fiscal note is at \$1.7 million.

The following **bills were rolled**:

For 2 weeks:

HB 234 by Rep. Campfield

For 3 weeks:

HB 525 by Rep. Sontany

HB 696 by Rep. Roach

HB 759 by Rep. Bunch

For 4 weeks:

HB 495 by Rep. DuBois

HB 563 by Rep. Towns

HB 570 by Rep. Towns

HB 639 by Rep. Cochran

HB 645 by Rep. Cochran

HB 782 by Rep. DuBois

HB 787 by Rep. DuBois

HB 790 by DuBois

HB 793 by Rep. DuBois

HB 932 by Rep. Towns

For 8 weeks:

HB 917 by Rep. Kelsey

Judicial Administration Subcommittee

On Wednesday, the Judicial Administration Subcommittee met to consider two bills. HB 438 by Rep. Fowlkes was approved for passage and referred to the full judiciary committee. This bill removes the statutory provision for compensation limits for attorneys appointed to represent indigents making compensation subject to TN Supreme Court Rule 13. HB 439 by Rep. Fowlkes was taken off notice.

State and Local Government

Lawrence Hall, Jr.

The **State and Local Government full committee** did not meet the week of February 15th, but resumed its meetings this week. No bills were considered.

Week of February 22nd

State Government Subcommittee

This week in State Government Subcommittee HJR 33, by Rep. Bone, was passed to full committee. This resolution, entitled "Tennessee Saves Month, " encourages young people across the State to save money. HB 31, by Rep. Swafford, was also passed to full committee. This bill redefines "sexually-oriented materials" to make it clear that adult novelties, risque gifts, and marital aids are included in the definition as it relates to the "Adult-Oriented Establishment Registration Act." HB 145, by Rep. Mike Turner, prohibits naming any federal or state highway, road, or state building or facility in honor of a person, unless such honoree resides, or previously resided, in Tennessee. This bill passed to full committee.

Local Government Subcommittee

This week in Local Government Subcommittee, HB 20, by Rep. Newton, was passed to full committee. This bill, as amended, will disqualify any applicant from obtaining a beer permit if the applicant has been convicted of drug related charges. HB 630, by Rep. Hawk authorizes county officers and employees to purchase surplus property by

competitive sealed bids in addition to purchasing property in a public auction. This bill passed to full committee. HB 606, by Rep. Curtiss removes the \$1,000 limit where a superintendent of roads in Warren County is allowed to purchase products without a competitive bidding process and makes the limit conform to the state law limit. This bill was passed to full committee. HB 607, by Rep. Curtiss redesignates, in Warren County the title of "county mayor" to "county executive." This bill was passed to the full committee. HB 1370, by Rep. U. Jones requires that the county mayor, with the confirmation of the county legislative body, appoint the members of the Emergency Communication District Boards. This bill was passed to the full committee.

Elections Subcommittee

This week in Elections Subcommittee, Rep. McMillan sponsored the following bills and all were passed to full committee: HB 1090 places a \$25,000 limit on a contribution made by an individual to a state political party or a caucus of that political party. Currently, there is no limit on such contributions. HB 1098 limits the contributions that an individual may make to a political campaign committee and multicandidate campaign committee to \$5,000. Currently, there is no limit on such contributions. HB 1582 eliminates the requirement that the election commission or registry of elections send notice regarding the inspection of records.

Transportation

Rachel Thomas

Previous Weeks' Report

The **House Transportation Committee** met on Tuesday, February 5th to hear presentations from the Department of Safety and the Department of Transportation. Commissioner Phillips gave an update on the progress implementing last year's driver's license legislation. Since the law went into effect, approximately 14,000 people have obtained a driver's certificate. Recent passage of the federal law essentially mirrors that of the Tennessee law. Another update of the department included the use of an electronic system of renewing driver's licenses, which has already saved approximately 1,000 hours overall of counter-time.

The Tennessee Department of Transportation made their presentation about the HELP program to the House Transportation Committee. Legislative Liaison Greg Adkins and TDOT Director of Instant Highway Management Frank Horne represented TDOT. The mission of the HELP program is to minimize traffic congestion, promote the safe movement of people and product, and improve the travel environment. The HELP resources include 4 regional coordinators, 52 Operators, 16 Supervisors, 17 Dispatchers, 50 Operator trucks, 16 Supervisor trucks, Supporting equipment and facilities and Management staff in Headquarters in each region. The services that HELP has provided to Tennesseans include:

- changing 57,254 tires
- providing fuel 36,200 times
- tagged 68,293 abandoned vehicles
- removed debris 32,704 times,
- provided traffic control 126,539 times
- extinguished 651 vehicle fires
- provided first aid to 2,764 people
- relocated vehicles from travel lanes 27, 485 times

Public Safety Subcommittee

The Public Safety subcommittee of the

Transportation Committee met on Tuesday, February 15th to consider one bill. **HB 1094** by Majority Leader Kim McMillan passed to full committee. This legislation prohibits displaying a social security number on any driver's licenses issued or re-issued on or after July 1, 2005. This law complies with a new federal law that is going into effect.

Public Transportation & Highways Sub

On Tuesday, February 15, 2005, the Public Transportation and Highways subcommittee held its first meeting of the General Assembly to consider ten pieces of legislation. The following highway signs passed to full committee:

1. **HB 389** by Rep. Shepard - "Officer Christy Jo Dedman Memorial Highway" portion of State Route 100 in Hickman County
2. **HB 0027** by Rep. Shepard - "Herbert L. "Hub" Harris Bridge" State Route 250 across the Harpeth River
3. **HB 0275** by Rep. McDaniel - "Edgar 'Eck' Jobe Memorial Bridge" State Route 128 in Wayne County
4. **HB 0276** by Rep. McDaniel - "Robert McKee Memorial Highway" State Route 104 in Henderson County
5. **HB 278** by Rep. McDaniel - "B.E. Edwards Memorial Bridge" Hurricane Creek Bridge on U.S. 64 in Waynesboro
6. **HB 629** by Rep. Hawk - "Joseph 'Joe' Bewley Memorial Highway" segment of State Route 70 By-Pass in Greeneville
7. **HB 637** by Rep. Cochran - "Roy 'R.H.' Taylor Memorial Bridge" Mill Creek on State Route 91 in Stoney Creek, Carter County
8. **HB 63** by Rep. Harmon - "Veterans Memorial Highway" State Highway 30 in Van Buren County

HB 0032 by Rep. Ferguson was rolled for two weeks and **HB 169** by Rep. Mike Turner was rolled for three weeks. *(written by Kristina Ryan)*

Transportation

February 22nd (Current Report)

Full Committee

The **House Transportation Committee** convened on February 22, 2005, to consider nine bills and one resolution.

The following highway sign bills were passed by the committee and will be considered by the House Finance, Ways, and Means Committee:

HB 27 (Shepard)—“Herbert L. ‘Hub’ Harris Bridge” sign across the Harpeth River

HB 63 (Harmon)—“Veterans’ Memorial Highway” sign in Van Buren County

HB 275 (McDaniel)—“Edgar ‘Eck’ Jobe Memorial Bridge” sign in Wayne County

HB 276 (McDaniel)—“Robert McKee Memorial Highway” sign in Henderson County

HB 278 (McDaniel)—“B.E. Edwards Memorial Bridge” sign in Waynesboro

HB 389 (Shepard)—Officer Christy Jo Dedman Memorial Highway” sign in Hickman County

HB 629 (Hawk)—“Joseph ‘Joe’ Bewley Memorial Highway” sign in Greeneville

HB 637 (Cochran)—“Roy ‘R.H.’ Taylor Memorial Bridge” sign in Carter County

Both **HB 1094** (McMillan) and **HR 38** (Pinion) were passed to the Calendar and Rules Committee. **HB 1094** prohibits the Department of Safety from printing an individual’s social security number on his/her driver’s license after July 1, 2005. However, the social security number would be kept on file with the department for administrative purposes. **HR 38** urges the U.S. Congress to reauthorize multi-year funding for federal highway and transit programs.

The committee then heard a presentation by Comp-

troller John Morgan on hot-mix asphalt production. The report concluded that, in most cases, asphalt is more economically produced by private companies. However, in certain circumstances where specific factors are present (such as county ownership of raw materials, lack of private providers, and collaboration with neighboring counties), government asphalt production might be cost-effective or otherwise desirable.

Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met February 22, 2005, to consider eight bills. Action was deferred on **HB 456** (Davidson), **HB 1576** (West), and **HB 1213** (Davidson) for one week. Representative Kernell’s **HB 302** and **HB 304** were deferred for two weeks. **HB 924** by Representative Tidwell was taken off notice.

The following bills were referred to the full Transportation Committee:

HB 823 (P. Johnson)—As amended, this bill lowers the minimum height requirement for proper child restraint seats from five feet to four feet, nine inches.

HB 370 (Winningham)—This bill adds school buses to the list of motor vehicles authorized to use flashing (“wig-wag”) lights.

Public Transportation & Highways Subcommittee

The **Public Transportation & Highways Subcommittee** met on February 22, 2005, to consider six bills. Action was deferred for one week on **HB 1423** (West) and **HB 881** (Casada). Representative West’s **HB 1430** and Representative McDaniel’s **HB 1129** were deferred for two weeks. The following two bills were passed to the full Transportation Committee:

HB 383 (Bone)—As amended, signs will be erected denoting a portion of State Route 840 “Tennessee National Guard Parkway.” This is to be funded by non-state monies.

Budget Hearings—Comptroller

Julie Travis

Comptroller of the Treasury

The Comptroller of the Treasury, John Morgan, presented his office's budget request for fiscal year 2005-06 to the House Finance, Ways, and Means Committee on February 15, 2005. The Comptroller's statutory duties include the audit of state and local governments; management of the state debt; support for the General Assembly and its committees; participation in the general, financial, and administrative management of state government; administration of property assessment for tax purposes; and support of local governments. The Comptroller administers the following functional areas:

- Administrative and support services;
- Audit services;
- Bond finance services;
- Services to local governments;
- Offices of Research and Education Accountability; and
- Office of State Assessed Properties.

The Comptroller's base budget saw a decrease of (0.72%) in its FY05-06 Recommended Budget, \$76,344,800, as opposed to the FY 04-05 Estimated Budget, \$76,901,000. This decrease represents the non-recurring salary bonus of \$70 for each state employee per service year received in FY04-05. The Comptroller's Office's total budgetary request as recommended in the Governor's Budget totals \$76,660,900, of which \$66,304,000 are State appropriations and \$10,356,900 are from "Other" funds.

The improvements recommended in the Governor's Budget consists of one line item funding five (5) audit positions in the Division of State Audit, totaling \$316,100. This appropriation would provide for additional staffing for reviews of performance-based budgeting as part of the "Tennessee Governmental Accountability Act of 2002." As stated in the Budget document, "For state agencies phased into performance-based budgeting, the Comptroller's responsibilities under the act include annual review of performance measures and related information and audit of actual performance to determine the extent to which state agencies are delivering services and achieving objectives reported in the performance-based budget."

The Comptroller's Office also asked for improvements in the areas of Management Services, County Audit, and in the Office of Education Accountability; all three of these divisions' improvement items did not receive favorable recommendation from the Governor's Office, as they were not included in the Governor's Budget. The \$449,100 in improvement requests not recommended in this year's budget include:

- Two (2) positions in Management Services to provide for additional staffing for the IT section to administer and maintain web applications and to provide security for their network. This improvement item totaled \$134,100 in State appropriation monies;
- Three (3) positions in County Audit to provide for funding for two (2) auditors for review of county information systems and for one (1) audit manager to administer professional standards compliance. This improvement item totaled \$188,600 in State dollars; and
- Two (2) positions in the Office of Education Accountability to provide for additional staffing to meet the requirements of the No Child Left Behind (NCLB) Act (TCA §49-1-602(c)). The Comptroller expressed the great need for this particular improvement as the Comptroller's Office is statutorily

mandated to work with the Dept. of Education to review schools and school systems that aren't performing up to standards and are in non-compliance with the BEP and NCLB. This improvement item (which had been included in previous budgets prior to this year) totals \$126,400 in State appropriations.

The Office of the Comptroller of the Treasury has as its stated core values, honesty, integrity, accuracy, reliability, and accountability. The Office's mission remains "to improve the quality of life for all Tennesseans by making government work better." The committee examined the Comptroller's strategic plans and performance-based budgeting and how the two are directly related to their five office-wide goals. Each division contributes differently to the five office-wide goals based on the services provided and performance objectives to be met. The Comptroller of the Treasury's five office-wide goals are:

- Goal 1: Assure public resources are used effectively and efficiently.
- Goal 2: Accomplish and provide continuous improvement for the statutory and other assigned responsibilities of the Comptroller's Office.
- Goal 3: Provide timely, adequate, and accurate information to policymakers at all government levels.
- Goal 4: Provide a diverse, competent, ethical, and professional staff and maintain continual development of such staff.
- Goal 5: Provide and maintain effective communication with internal and external audiences.

Budget Hearings—Corrections

Lawrence Hall, Jr.

On February 8, 2005, Commissioner Quinton White and Garland Johnson of the Department of Corrections presented the department's 2005-2006 budget request to the House Finance, Ways and Means committee. The commissioner stated that the department employs 5,189 people and the goal is to provide a safe and secure environment by providing supervision of all the felons in the department's control. The department is responsible for managing 12 facilities with a total of 20,122 inmates. The cost of housing the inmates is \$53.22 per day per inmate for private facilities as part of their contract (\$53.56 for state facilities).

The total requested 2005-2006 budget for the Department of Corrections is \$580,153,100. This number represents a base amount of \$566,226,400 and \$13,926,700 in department improvements. The improvements requested in this budget include restoring the State Prosecutions reimbursement per diem from \$32.00 to \$35.00. The request also includes contract increases as a result of annual inflator clauses for these private facilities for Hardeman County, Whiteville and South Central Correctional Facilities. There is also a 7.3% improvement request for Mental Health Services and Health Services contracts. The commissioner further stated that the 2004-2005 budget underestimated the cost of utilities for the department and the department will be requesting an improvement amount for this area.

Improvements:

Administration	\$8,531,200
State Prosecutions	\$2,500,000
Corrections Academy	\$ 11,600
Brushy Mountain Corr. Complex	\$ 103,700
Tennessee Prison for Women	\$ 200,000

Turner Center Industrial Prison and Farm	\$ 124,300	
Mark Luttrell Correctional Facility	\$ 17,200	
Southeastern Tenn. St. Reg. Corr. Facility	\$ 42,400	
Hardeman County	\$ 576,100	
Whiteville Corr Facility	\$ 413,700	
West Tenn. State Pen.	\$ 168,200	
Northeast Corr. Complex	\$ 204,600	
South Central Corr Center	\$1,033,700	
Total Improvements		\$13,926,700

The department was asked about possible budget reductions. Commissioner White stated that if any reductions were to be made, it would be in the form of positions. The commissioner made it clear that those kinds of reductions would make it difficult to provide the safe and secure environment that the department should provide.

Budget Hearings—Personnel

Rachel Thomas

Commissioner Randy C. Camp addressed the House Finance, Ways, and Means Committee on February 9, 2005 regarding the Department of Personnel's budget for fiscal year 2005-06.

The Department of Personnel consists of three major program areas: administrative services, human resource services, and technical services. Several examples of the Department's duties include maintaining all state employee records, processing all applications for employment with the State, and approving, coordinating and conducting training and career development courses for all state departments and agencies.

Commissioner Camp then outlined some problems the Department is experiencing with the State's merit-based hiring system. This system assigns applicants a score based on tests, evaluations and rank. Persons with top applicant scores are then offered positions. According to the Commissioner, this system ignores other factors that could be significant to a particular position. Furthermore, he stated that this system places Tennessee at a competitive disadvantage to both the private sector and other states that do not use merit-based hiring. This problem is acute with respect to hiring college graduates—particularly in the areas of healthcare, information technology, and accounting.

The Department of Personnel's total proposed budget for FY 2005-06 is **\$9,785,500** of which **\$4,591,300** is state monies and **\$5,194,200** come from other sources. Included in this budget proposal is **\$572,500** of improvements. This figure is comprised of improvements in the following areas:

Administrative Services

Commissioner Camp asked for a sum of **\$204,600** for a one-time conversion from computer-based testing

Personnel, continued

of job applicants to an internet application. There are currently only nine offices at which these tests are offered, whereas the conversion would enable the test to be taken at any site with internet availability.

Technical Services

During fiscal year 2003-04 the Department received 92,425 applications in 215,213 job classes (one applicant may apply for multiple job areas). There are only nine staff persons to review, test, and rank these applicants. Consequently, a significant backlog has developed and the Commissioner requested **\$367,900** to fund seven additional positions to address this issue.

A number of Representatives were opposed to the Technical Services improvements because they believed that many of these applications are processed unnecessarily.

Budget Hearings—Financial Institutions

Denise Sims

Commissioner Kevin Lavender presented the department's proposed budget for the 2005-06 Fiscal Year. Financial Institutions has requested no new dollars or improvements. **The recommended budget for '05-'06 is a total of \$12,796,000. Of that, \$7,239,100 will come from state appropriated dollars,** an almost negligible increase from the last fiscal year's state appropriations (0.43%). The remainder of the budget will come from other dollars, amounting to \$5,556,900 (from fees).

As part of his presentation, the Commissioner also followed up on questions from last year's hearings. They dealt with spending priorities, customer service and improved performance and predatory lending. He said one of the department's goals was to increase inspection of brokerage houses by fifty percent.

Among its responsibilities, the Department of Financial Institutions regulates state-chartered banks, trust companies, savings institutions, credit unions, mortgage lenders and brokers, business and industrial development corporations and other entities. None of the department's operating expenditures comes from general state tax dollars, and revenues are from examination, supervision and license fees assessed to those financial institutions.

Budget Hearings—Secretary of State

Matt Barnes

Secretary of State Riley Darnell presented the 2005-2006 budget for the Department of State on February 15. The department comprises the State Election Commission, Registry of Election Finance, Economic Council on Women, Administrative and Support Services and State Library Services.

Total department funding is as follows:

	<u>Base</u>	<u>Improvement</u>	<u>Recommended</u>
State	\$24,069,700	\$250,000	\$24,319,700
Federal	5,846,700		5,846,700
Other	9,202,300		9,202,300
Total			\$39,368,700

The department's sole improvement request is to provide funding for the 2005-2006 *Tennessee Blue Book*. The administration is recommending \$250,000 in non-recurring funds to publish the next edition, but Secretary Darnell is asking for half of that amount in recurring funds in order to plan ahead and publish editions earlier in the two-year cycle of General Assembly terms.

In the past, the department budgeted \$500,000 in recurring funds to publish the *Blue Book* but ceased doing so over the past few years due to budget constraints. The department published 48,000 copies of the last edition from funds carried over. Now, due to gains in technology and efficiency, the department is able to produce more for less but needs recurring funds in order to have the money available before the books must be completed.

Secretary Darnell also mentioned a \$200,000 item the General Assembly may wish to fund. Because of 9% cuts several years ago, salary supplements for local registrars of elections decreased from \$18,000 to \$16,380. Secretary Darnell said several members have expressed interest in returning the supplement to the \$18,000 level for those that pass the required test.

The department currently has \$57 million in federal funds as part of the Help America Vote Act of 2002. Secretary Darnell said the department plans to use the funds as follows:

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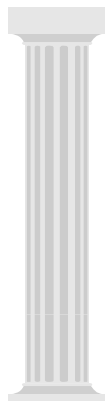
\$20,000,000	To administer the funds and create a database
11,000,000	To provide one machine per county that allows the disabled to vote
11,000,000	To replace punch card, lever, and central-based optical scan ma-
11,000,000	To allow local governments to borrow at low or zero interest for
2,500,000	To allow for better accessibility of handicapped persons to the vot-
2,000,000	To provide for education and training of election volunteers, many
\$57.5 million	

Several members raised the issue of standardizing all the voting machines in the state. Brook Thompson, coordinator of the Division of Elections, said standardizing all the machines is ideal in a perfect world but doing so would render invalid some of the machines that local governments have already installed that meet the minimum federal requirements. He also said the department does not have enough funds to replace all the machines in the state, leaving local governments footing much of the bill.

To meet the federal requirements, however, all punch card, lever and central-based optical scan machines must be replaced by the August 2006 election. Thompson said the department will oversee the replacement of as many as possible this year with either:

1. touch-screen “ATM” (different manufacturers, same basic procedures); or
- precinct-based optical scan (similar to standardized tests in grid pattern).

Thompson acknowledged the machines may differ across counties but not within. However, he also said the machines will not differ much and that the division must approve all machines before installation.



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